

DIRECT TESTIMONY
OF
MARK MAPLE
ENGINEERING DEPARTMENT
ENERGY DIVISION
ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS LIGHT COMPANY

d/b/a

AmerenCILCO

DOCKET NO. 02-0717

MARCH 2, 2004

1 Q. Please state your name and business address.

2 A. My name is Mark Maple and my business address is Illinois Commerce
3 Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Illinois Commerce Commission ("Commission") as
6 an Energy Engineer in the Engineering Department of the Energy Division.

7 Q. Please state your educational background.

8 A. I hold a Bachelor of Science degree in Mechanical Engineering and a
9 minor in Mathematics from Southern Illinois University in Carbondale,
10 Illinois. I am currently enrolled in the MBA program at the University of
11 Illinois at Springfield, where I have taken 28 of the required 48 hours
12 towards my degree. Finally, I am a registered Professional Engineer
13 Intern in the State of Illinois.

14 Q. What are your duties and responsibilities as an Energy Engineer in the
15 Engineering Department?

16 A. My primary responsibilities and duties are in the performance of studies
17 and analyses dealing with the day-to-day, and long-term, operations and
18 planning of the gas utilities serving Illinois. For example, I review
19 purchased gas adjustment clause reconciliations, rate base additions,
20 levels of natural gas used for working capital, and utilities' applications for
21 Certificates of Public Convenience and Necessity. I also perform utility
22 gas meter test shop audits.

23 Q. What is the purpose of this proceeding?

24 A. On November 7, 2002, the Commission initiated its annual reconciliation
25 of the Purchased Gas Adjustment ("PGA") for calendar year 2002, as filed
26 by Central Illinois Light Company ("CILCO" or "Company"), pursuant to
27 Section 9-220 of the Illinois Public Utilities Act. This investigation was
28 initiated to determine whether CILCO's PGA clause reflects actual costs of
29 gas and gas transportation for calendar year 2002 and whether those
30 purchases were prudent.

31 Q. What is your assignment in this proceeding?

32 A. My assignment is to determine if CILCO's natural gas purchasing
33 decisions made during the reconciliation period were prudent.

34 Q. Have you made a determination if CILCO's natural gas purchasing
35 decisions made during the reconciliation period were prudent?

36 A. Yes. Taking into account the adjustment proposed by the Company in
37 Nicholas Shea's supplemental direct testimony, CILCO's purchases during
38 the reconciliation period were prudent.

39 Q. What was the adjustment that Mr. Shea proposed in his supplemental
40 direct testimony?

41 A. The Company proposed to return to gas customers \$1,056,000 associated
42 with a premium received from a natural gas contract.

43 Q. Do you agree with the Company's adjustment?

44 A. Yes. I investigated the transaction and verified that the Company should
45 return \$1,056,000 to gas customers.

46 Q. What criteria did you use to determine prudence?

47 A. The Commission has defined prudence as:

48 [...] that standard of care which a reasonable person would be
49 expected to exercise under the circumstances encountered by
50 utility management at the time decisions had to be made. In

determining whether or not a judgment was prudently made, only those facts available at the time the judgment was exercised can be considered. Hindsight review is impermissible.

Imprudence cannot be sustained by substituting one's judgment for that of another. The prudence standard recognizes that reasonable persons can have honest differences of opinion without one or the other necessarily being 'imprudent'. (Commission v. Commonwealth Edison Company, Docket No. 84-0395, 10/7/87, p.17).

Q. What material did you review to determine the prudence of CILCO's natural gas purchasing decisions during the reconciliation period?

A. I reviewed the direct testimony of Company witnesses Vonda Seckler and Glenn Davidson and the supplemental direct testimony of Nicholas Shea. I also reviewed Company responses to numerous Staff data requests that directly addressed issues related to the prudence of CILCO's natural gas purchasing. Finally, I reviewed the Company's many gas supply contracts and supporting workpapers at CILCO's headquarters in Peoria.

Q. Do you have any additional recommendations?

A. Yes. An external audit of the Company's gas purchasing department found that a number of trade confirmations and similar

74 documents were missing. These documents are necessary when
75 the Company, Staff, or auditors attempt to track various gas
76 transactions during an audit. Therefore, these documents must be
77 retained in the future. I recommend that the Company respond to
78 this issue in its rebuttal testimony and indicate its willingness to
79 retain these documents going forward.

80 Q. Has the Company addressed this issue internally?

81 A. Yes. During the reconciliation year, which was also the time that
82 the documents would have been produced, the Company was
83 owned by AES. Since that time, Ameren has acquired CILCO.
84 From my discussions with Ameren personnel, it appears that
85 Ameren has sufficient staffing levels and internal controls to ensure
86 that these documents will be retained going forward.

87 Q. Does this conclude your direct testimony?

88 A. Yes, it does.